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FM THE SITUATION ROOM//TOHAK 01//
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TOMAHAK 01

~~TOP SECRET-SENSITIVE
CONTAINS CODEWORD~~

JULY 14, 1975

MORI/CDF C02398047

MEMORANDUM FOR SECRETARY KISSINGER
FROM THE SITUATION ROOM
SUBJECT: INFORMATION ITEMS

25X1

MCFARLANE, RODHAN, SDO, SECFLF

RECALLED
DIA-54-101

PSN 1051187

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THE WASHINGTON STAR NEWS

DRR KELLY WRITES THAT FBI DIRECTOR KELLEY ACKNOWLEDGED TODAY THAT THE FBI FOR MANY YEARS ENGAGED IN "SURREPTITIOUS ENTRY" OF PRIVATE PREMISES. KELLEY SAID THAT THE PRACTICE, WHICH DATED BACK TO WORLD WAR II HAD BEEN CUT BACK BY J. EDGAR HOOVER IN 1966 BUT HAD CONTINUED ON A MORE LIMITED BASIS AFTER THAT IN CASES INVOLVING FOREIGN COUNTERINTELLIGENCE. KELLEY SAID THAT THERE HAD BEEN SOME BREAK-INS AT EMBASSIES IN WASHINGTON SINCE HOOVER TIGHTENED UP THE RULES IN 1966. THE BREAK-INS ACKNOWLEDGED TODAY BY KELLEY HAD BEEN REPORTED IN NEWS STORIES BEFORE, BUT NOT CONFIRMED BY THE FBI. INFORMATION ON THE BREAK-INS AND OTHER ACTIVITIES OF THE BUREAU WILL BE PREPARED AND PROVIDED TO JUSTICE DEPARTMENT OFFICIALS WITHIN 10 DAYS. KELLEY SAID THE CIA WAS NOT INVOLVED IN THE BREAK-INS. ALTHOUGH IT MAY HAVE RECEIVED SOME INFORMATION TURNED UP BY THOSE ACTIVITIES, HE DECLINED TO RULE OUT ACTIVE PARTICIPATION BY THE NATIONAL SECURITY AGENCY. KELLEY SAID THE AUTHORITY EXERCISED BY THE FBI TO CONDUCT BREAK-INS FLOWS FROM THE PRESIDENT'S AUTHORITY TO PROTECT THE NATIONAL SECURITY.

HELEN THOMAS REPORTS THAT PRESIDENT FORD SAYS HE THINKS THE PRESIDENCY HAS "MADE ME MORE YOUTHFUL." SOME WHITE HOUSE AIDES RELIEVE HE HAS AGED A BIT UNDER THE DEMANDING PACE OF THE PRESIDENCY.

PRESIDENT FORD SLIPPED BOARDING THE RAMP TO AIR FORCE ONE LAST NIGHT ON HIS RETURN TO WASHINGTON, BUT HE MANAGED TO REGAIN BALANCE BEFORE FALLING, AS HE DID SIX WEEKS AGO IN SALZBURG, AUSTRIA.

DRR KELLY WRITES THAT PRESIDENT FORD PROVIDED THE JUSTICE DEPARTMENT IN THE EARLY DAYS OF HIS ADMINISTRATION WITH SECRET NEW INSTRUCTIONS ASSERTING THE GOVERNMENT'S AUTHORITY TO CONDUCT ELECTRONIC SURVEILLANCE WITHOUT WARRANTS IN NATIONAL SECURITY CASES. ROBERT J. HAVEL, PRESS SPOKESMAN FOR THE JUSTICE DEPARTMENT, SAID HE COULD NOT MAKE PUBLIC THE TEXT OF THE PRESIDENTIAL STATEMENT OF AUTHORITY, THE EXISTENCE OF THE NEW PRESIDENTIAL STATEMENT OF AUTHORITY CAME TO LIGHT AS THE RESULT OF AN EXCHANGE OF CORRESPONDENCE BETWEEN LEVI AND SENATOR KENNEDY. HAVEL SAID THE NEW PRESIDENTIAL STATEMENT OF AUTHORITY WAS INTENDED TO TIGHTEN UP AND MAKE MORE PRECISE THE GROUND RULES FOR THE USE OF WIRES-TAPS AND PLANTED MICROPHONES IN NATIONAL SECURITY CASES.

THE ITALIAN COMMUNIST PARTY HAS DENIED IT EVER RECEIVED CONTRIBUTIONS FROM AMERICA'S EXXON OIL CORPORATION AND CALLED FOR A FULL INVESTIGATION INTO THE CASE. A SPOKESMAN SAID

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THE COMPANY FOUND VOUCHERS INDICATING THAT AN UNAUTHORIZED DONATION OF \$86,000 HAD BEEN MADE TO THE COMMUNIST PARTY. BUT HE SAID HE HAD NO WAY OF KNOWING WHETHER THE MONEY ACTUALLY GOT TO THE COMMUNISTS.

THE TREASURY DEPARTMENT MAY LAUNCH A FORMAL PROBE INTO CHARGES THAT FOREIGN AUTOMAKERS ARE SELLING CARS IN THIS COUNTRY AT ILLEGALLY LOW PRICES. TREASURY SAID THE PROBE IS BEING UNDERTAKEN IN RESPONSE TO A CHARGE BY REPRESENTATIVE JOHN H. DENT. SIMILAR CHARGES OF "DUMPING" WERE MADE SATURDAY BY LEONARD WOODCOCK.

PRESIDENT FORD HAS BEEN VETOING DEMOCRATIC LEGISLATION IN ORDER TO "CURRY FAVOR" WITH THE CONSERVATIVE WING OF THE GOP, SAYS HOUSE MAJORITY LEADER THOMAS P. DINELLI. BUT JOHN J. RHODES SAID THE VETOES ARE GAINING "GRASS ROOTS" SUPPORT. THEY WERE INTERVIEWED SEPARATELY BY U.S. NEWS & WORLD REPORT. DINELLI SAID FORD "LOST A WING OF HIS OWN PARTY WHEN HE CHOSE ROCKEFELLER AS VICE PRESIDENT... PRESIDENT FORD REALIZES HE IS IN TROUBLE WITH THAT ULTRA-CONSERVATIVE GROUP, AND HE IS MOVING TO RECAPTURE THEM."

PETER WARD NOTES THAT AS CANADA JUGGLES CLOSE TO \$15 MILLION IN INTERNATIONAL NUCLEAR REACTOR DEALS, THE GOVERNMENT IS COMING UNDER INCREASING CRITICISM FROM ITS OPPOSITION IN PARLIAMENT FOR REFUSING TO RELEASE THE TERMS OF SAFEGUARDS THAT IT CLAIMS WILL BE PART OF ANY SALES. THE KOREAN SALE IS BEING ATTACKED BECAUSE OF ANOTHER PENDING DEAL BETWEEN FRANCE AND KOREA FOR A PLUTONIUM RECYCLING PLANT. THIS COULD MAKE EXPENDED URANIUM FUEL FROM CANADIAN REACTORS FIT FOR USE IN EXPLOSIVE DEVICES. THE POTENTIAL DEAL WITH FRANCE -- SEEN AS THE BIGGEST AND MOST DANGEROUS OF THEM ALL -- IS THE ONE MOST VEHEMENTLY QUESTIONED BY THE OPPPOSITION. FRANCE WANTS TO BUY INTO QUEBEC'S MAMMOTH \$12 BILLION HYDROELECTRIC DEVELOPMENT IN THE JAMES BAY REGION, WITH INVESTMENTS OF ANOTHER \$12 BILLION TO CONSTRUCT A URANIUM ENRICHMENT PLANT AND AN ADDITIONAL POWER DAM TO SUPPLY THE NEEDED ELECTRICITY. BUT FRANCE WANTS NO PART OF CANADIAN SAFEGUARDS IN THE DEAL.

A STAR EDITORIAL WRITING ON THE "OLD OIL DILEMMA" CONCLUDES THAT THE EXPERTS ARE, AS UNUSUAL, CONFUSED. THAT MUST BE SO, WHEN THE PREDICTED RESULTS OF DECONTROL VARY SO WILDLY. THE WALL STREET JOURNAL'S RESIDENT EDITORIAL ECONOMIST ASSURES US THAT THE FORD PLAN IS RIGHT, THAT THE ALARUMS ABOUT SOARING FUEL PRICES ARE "UTTER FANTASIES." THE CONGRESSIONAL JOINT ECONOMIC COMMITTEE, OR AT LEAST THE DEMOCRATIC MEMBERS THEREOF,

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FORESEES DARKER RESULTS OF DECONTROL. THE EDITORIAL CONCLUDES THAT FORD AND CONGRESS ARE AT LOGGERHEADS. FORD IS BENT ON DECONTROL, CONGRESS ON RETAINING CONTROLS WHICH ARE SET TO EXPIRE IN AUGUST. EACH BRACES ITS POSITION WITH FIGURES, ALTHOUGH NEITHER KNOWS JUST WHAT DECONTROL WOULD MEAN TO THE ECONOMY. THEIR RATHER TENTATIVE FEELING IS THAT THERE IS SUPERIOR ECONOMIC LOGIC IN THE PRESIDENT'S POSITION, AND CERTAINLY MORE SENSE FROM THE POINT OF VIEW OF NATIONAL SECURITY POLICY. DECONTROL WOULD BRING AN END TO THE SYSTEM OF "ENTITLEMENTS" WHICH BY PROFESSOR MILTON FRIEDMAN'S ESTIMATE TRANSFER ABOUT \$16 BILLION A YEAR FROM TAXPAYERS AND PRODUCERS TO REFINERS AND IMPORTERS OF OIL. THEY THINK CONGRESS SHOULD GO ALONG WITH DECONTROL OF OLD OIL PRICES, AT LEAST FOR A TRIAL PERIOD. THE TRUTH IS THAT WE WON'T KNOW WHO'S RIGHT UNTIL DECONTROL HAS A TRIAL RUN.

TOM WICKER SAYS THAT THE PICTURES OF THE CEREMONY AT WHICH GERALD FORD ANNOUNCED HIS FORMAL ENTRY INTO THE PRESIDENTIAL RACE TOLD A GOOD DEAL ABOUT THE CAMPAIGN HE WILL WAGE. ALL THE PICTURES INCLUDED HOWARD CALLAWAY, A MILLIONAIRE GEORGIA SEGREGATIONIST, AND DAVID PACKARD, A MILLIONAIRE MOGUL OF THE MILITARY-INDUSTRIAL COMPLEX. FORD STRUCK JUST THE RIGHT NOTES FOR HIS POLITICAL PURPOSES, MOREOVER, WITH HIS STRESS ON "DUTY AND DECENCY" AND THE REPORTERS PRESENT DID NOT FAIL TO RECOGNIZE THE BUST OF HARRY TRUMAN AT HIS SIDE. THE VERY LEAST, THE DEMOCRATS OUGHT TO STOP HIM FROM STEALING HARRY TRUMAN WHO WOULD HAVE KNOWN EXACTLY HOW TO PIN THE LIKES OF BO CALLAWAY AND DAVID PACKARD ON A DO-NOTHING REPUBLICAN PRESIDENT.

C. L. RULZBERGER WRITES THAT A REVOLUTION HAS ALREADY OCCURRED IN SPAIN AND ALMOST EVERYONE IN THE COUNTRY KNOWS IT EXCEPT FOR GENERALISSIMO FRANCO AND THE HANDFUL OF CONSERVATIVES WITH WHOM HE SURROUNDS HIMSELF. AN IMPORTANT MEMBER OF THE ROMAN CATHOLIC HIERARCHY SAYS: "THERE IS AN INTELLECTUAL, ECONOMIC, SOCIAL, AND CULTURAL REVOLUTION UNDER WAY. SPANISH YOUTH IS FERMENTING LIKE THE FRENCH YOUTH OF 1968. THEIR HEROES ARE FREUD, MARX, MARCUS, MAO, AND CASTRO. ALTHOUGH THIS PARTICULAR PRIEST DESCRIBES THE CHURCH AS "SPAIN'S MOST DYNAMIC FORCE TODAY," HE MAKES THE POINT THAT THE CHURCH IS CONSCIOUSLY WITHDRAWING FROM POLITICS. BISHOPS ARE BEGINNING TO MAKE CLEAR IN PRIVATE CONVERSATION THAT THEY INSIST ON FREEDOM OF SPEECH, ASSEMBLY, AND PRESS AS NATIONAL "RIGHTS," NOT "PRIVILEGES" TO BE CONFERRED. THEY ARE CLEARLY PREPARED TO ENDORSE FRANCO'S DESIGNATED SUCCESSOR, PRINCE JUAN CARLOS, AS KING IF HE SHOWS HIMSELF PROGRESSIVE BUT A "FRANCO-STYLE MON-

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ARCHY" WOULD NOT BE "ACCEPTABLE" TO THE SPANISH PEOPLE, AS
THE CHURCH UNDERSTANDS THEIR MOOD. COME WHAT MAY, THE
SPANISH CHURCH MAY NO LONGER BE CONSIDERED IN THE LEAST
SYNONYMOUS WITH THE SPANISH GOVERNMENT. IT IS DISSOCIATING
ITSELF FROM THE PAST WITH ASTONISHING SPEED.

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